

Illinois EE Stakeholder Advisory Group Q2 Meeting

Tuesday, April 25, 2023 (Day 1)
9:30 am – 12:30 pm
Teleconference

Attendees and Meeting Notes

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Meeting Materials

Meeting materials for today are posted on the [April 25 meeting page](#):

- [Tuesday, April 25 Q2 SAG Agenda](#)
- [Ameren Illinois Quarterly Update Presentation \(April 2023\)](#)
- [Nicor Gas Quarterly Update Presentation \(April 2023\)](#)

Attendees (by webinar)

Celia Johnson, SAG Facilitator
Caty Lamadrid, Inova Energy Group – SAG Meeting Support
Alan Elliott, Opinion Dynamics
Alan Work, Evolve
Alex Deeb, Ameren Illinois
Allen Dusault, Franklin Energy
Andrey Gribovich, DNV
Angie Ostaszewski, Ameren Illinois
Babette Washington, Ameren Illinois
Billy Davis, Bronzeville Community Development Partnership
Brent Nakayama, Ameren Illinois
Brian A'Hearn, CLEAResult
Bridget Williams, Guidehouse
Cher Seruto, Guidehouse
Cheryl Watson, Equitable Resilience & Sustainability LLC
Chris Healey, Enervee
Chris Neme, Energy Futures Group, representing NRDC
Chris Vaughn, Nicor Gas
Christina Pagnusat, Peoples Gas & North Shore Gas
David Brightwell, ICC Staff
David Kilgore, Ameren Illinois

Deb Perry, Ameren Illinois
Dena Jefferson, Franklin Energy
Denise Munoz, ComEd
Diana Fuller, Walker-Miller Energy Services
Elizabeth Horne, ICC Staff
Gregory Norris, Aces 4 Youth
Haley Keegan, Resource Innovations
Hannah Collins, Leidos
Jarred Nordhus, Peoples Gas & North Shore Gas
Jason Fegley, Ameren Illinois
Jason LaStella, Franklin Energy
Jean Gibson, Peoples Gas & North Shore Gas
Jeff Carroll, DNV
Jennifer Michael, Ameren Illinois
Jennifer Pearson, CEDA
Jim Dillon, Anura Energy
Jim Fay, ComEd
Jimmy Faggett, Ameren Illinois
John Lavalley, Leidos
John Carroll, Ameren Illinois
Jonathan Skarzynski, Nicor Gas
Julia Friedman, Oracle
Kari McCue, Nicor Gas
Kari Ross, NRDC
Katherine Elmore, Community Investment Corp.
Katy Brewer, CLEAResult
LaJuana Garret, Nicor Gas
Lance Escue, Ameren Illinois
Laura Agapay-Read, Guidehouse
Laura Goldberg, NRDC
Lorelei Obermeyer, CLEAResult
Mike King, Nicor Gas
Mallory Audo, Ameren Illinois
Matt Armstrong, Ameren Illinois
Michael Brandt, Elevate
Molly Graham, MEEA
Molly Lunn, ComEd
Monique Leonard, Ameren Illinois
Nick Lovier, Ameren Illinois
Nicole Popejoy, IL Association of Community Action Agencies (IACAA)
Omayra Garcia, Peoples Gas & North Shore Gas
Pastor Booker Vance, Elevate
Pat Justis, Ameren Illinois
Philip Halliburton, ComEd
Philip Mosenthal, Optimal Energy, representing IL Attorney General's Office and NCLC
Randy Gunn, Mondre Energy
Randy Opdyke, Nicor Gas
Rebecca McNish, ComEd
Rohith Mannam, Nicor Gas
Ronna Abshure, ICC
Ryan Kroll, Driftless Energy

Salina Colon, CEDA
Sam Stahl, Ameren Illinois
Scott Eckel, ICC
Sy Lewis, Meadows Eastside Community Resource Org.
Tamika Cole, Walker-Miller Energy Services
Tammy Jackson, Ameren Illinois
Tara Cunningham, Rinnai
Thomas Drea, Ameren Illinois
Tim Dickison, Ameren Illinois
Travis Hinck, GDS Associates
Vitaliy Ladimirov, Resource Innovations
Wade Morehead, Morehead Energy
Wael El-Sharif, 360 Energy Group
Zach Ross, Opinion Dynamics

Meeting Notes

Follow-up indicated **in red**.

Opening & Introductions

Celia Johnson, SAG Facilitator

Purpose of Meeting: For Ameren Illinois and Nicor Gas to report-out on EE portfolio progress.

Ameren Illinois EE Portfolio Update

Matt Armstrong, Nick Lovier, Tim Dickison, Ken Woolcutt, Angie Ostaszewski, and Pat Justis, Ameren Illinois

Purpose: For Ameren Illinois to share an EE portfolio progress report-out with SAG.

Materials: [Ameren Illinois Quarterly Update Presentation \(April 2023\)](#)

- I will present a high-level overview of program year 2022, then the manager of residential programs, Nick Lovier will present, then Tim Dickison will talk about customer coordination efforts, Ken Woolcutt will present on business programs, Angie Ostaszewski will present market development initiative. Finally Pat Justis will give a general update.
- Slide 2 – Preliminary (ex-ante) values showing progress towards electric and gas saving goals, as well as statutory budget and spend. Electric savings goal was hit at 100% and implementation goals were exceeded for gas savings. When SAG met in the fall of 2022, Ameren was struggling from a savings standpoint and several few pivots were made to get these results. The budget was underspent by \$17M. Later in the presentation Ameren will discuss plans for using this amount with the budget flexibility.
- Slide 3 – Reporting on diverse spend for diverse suppliers and program allies. This is for 2022, more detail on historical spend will be shared in a couple of months with the SAG Equity Subcommittee. In general, the spend grew from \$5M to \$30M over a few years. Slide contains a summary on Health & Safety (H&S) spending. Only 50% of projects in the Community Action Agencies (CAA) channel are being funded, and Ameren is investigating how this can be improved. Ameren also working on increase nonprofit channel spend.
- Slide 4 – Graphs show that in June 2022 that Ameren started to fall behind plan on both gas and electric baseline savings with the gap was at its greatest in November. The reasons for this included new implementation partners that Ameren was working to

onboard plus new legislation brought into play that brought in 10 MW customers and increased the goal. In addition, there were supply chain challenges due to Covid, labor shortages, and inflationary impacts. To course-correct, Ameren started implementing pivots in portfolio between June-September (some of them were implementation partner pivots), increased marketing, education and outreach for the new large customers, deployed a smart thermostat campaign as a collaboration with Google, and delivered savings through retail products.

- Slide 5 – IQ spend commitment table that was agreed to in the stipulation. A few highlights: top row IQ CAA channel actuals were not in line with budget due to staffing challenges. Ameren did not deliver any IQ electrification projects last year but will start this year. Multi-Family (MF) channel was able to deliver greater results than planned and continues to see uptake of heat pumps in MF buildings. Retail Products and Single Family initiatives were leveraged to make up for the deficit in other channels.

Chris Neme: Can you elaborate on the uptake on heat pumps. What portion of actual spend was on heat pumps? How many apartments were served? Anything to give sense of scale? I remember in the past that you showed a large portion of MF properties had base-board electric heating, is that what you are finding?

Matt Armstrong: 388 HPs were installed for IQ MF properties, higher than originally anticipated (about \$3M out of \$5.6M IQ Multi Family spend). Additional details can be provided offline.

Nick Lovier: Yes, Ameren is finding that there are lots of electric resistance heating. Goals were increased because of this and were able to hit the goals, due to the popularity of those products.

Chris Neme: in some parts of Midwest there have been supply chain issues with getting heat pumps to market, did you encounter this issue?

Nick Lovier: This was happening early on, but this was resolved last year.

Laura Goldberg: (1) for Multi-Family properties, when electric HP are being installed, are there other measures installed as well? Air sealing and insulation? (2) on healthier homes channel, can you explain what that is?

- *Nick Lovier: When we do MF projects, we always do DI, and try to do air sealing and insulation, but we are finding that the market is saturated for those areas. We always do assess the whole building.*
- *Angie Ostaszewski: The healthy homes initiative is different than H&S as it looks at customers with respiratory ailments, we look at things like hypoallergenic bedding, air purifiers, and all measures from MF program.*

Pastor Vance: Concerned about black and brown communities and ability to take advantage of these programs and opportunities.

Matt Armstrong: During the July SAG Equity Subcommittee meeting we will be speaking in detail about the Market Development Initiative and how we are reaching these underserved communities.

Kari Ross – via chat: Do you have data on walkaway rates from the audits you mentioned for heat pump installations (MF)?

- Slide 7 – 2022 was challenging at the start but in the end the residential programs were successful, bolstered by Q4 activity and the Google thermostat push. In addition, retail products were very successful. IQ Lighting was a large contributor of goals. Ameren established a \$500 completion bonus instituted in October (per project) that allowed allies to add staff as needed. The inflow of applications is increasing over time, and the residential programs are now receiving approximately 220 applications per week. MF IQ based its success of DI measures and HP. Smart Savers had a difficult last year and only ended up at 1/3 of goal.

Pastor Vance: Where are these stores that people can get bulb at discounts?

- *Nick Lovier: In Ameren IL service territory we are targeting all thrift stores, dollar stores, and 100 zip codes that we have determined to be low-to-moderate income zip codes. Customers can go to Walmart and similar stores within those zip codes to get those measures.*
 - *Matt Armstrong: A list of stores is included in 3rd quarter report for 2022. We will follow-up directly.*
- Slide 8 – H&S has two paths, (1) disqualifier showstoppers that if remediated allows a home to move forward, and (2) items that need to be addressed to remove barriers for the installation of a specific measure. In 2022 a total of 1,121 homes received H&S funding with >550 receiving the showstopper remediation. Pictures on slide were for a Tier 1 Low Income high-need customer that was a senior and disabled and that was without heat. The program staff completed an assessment and we used H&S funding to install new duct work and replace a 50% efficient furnace with a new model. The H&S barriers were removed, the customer's bill was reduced, and the customer is now eligible for additional work (project is in pipeline).

Laura Goldberg – via chat: How much of the 15% annual allowance for H&S that is part of low income/ IQ budget allowed in statute is Ameren spending? And any homes/buildings you're still having to walk away from? Also curious on breakdown of IQ SF v IQ MF H&S work.

- *Nick Lovier: last year Ameren spent \$2.2M for H&S. Unfortunately, there are still homes that we have to walk away from because there are too many issues for us to fix, this is when we find something beyond the scope of what we can use the H&S funds for. We are using funds primarily for Single Family program because we are seeing that SF has a greater need and therefore that is where we are targeting our efforts.*
- Slide 9 – Project example.
 - Slide 10 – Ameren put a lot of work into capacity building, due to agency turnover there were a lot of new staffing. Implementation partners worked with CAAs to retrain CAA staff and assisted with the processing of applications. Ameren also had larger agencies offer assistance to other smaller CAAs. These efforts were put into place last year but they are bearing fruits in 2023.
 - Slide 11 – Program ally expansion efforts, we had 22 allies and out of 7 were diverse. When contractors graduate from Minority Business Development Center, a list is given to program managers and we try to bring them in.

Pastor Vance: Are there better ways to partner with faith communities?

Gregory Norris: we had a meeting with Ameren's CEO and this was one of the major topics of discussion. The programs are good, but the outreach is lacking. If there is outreach it is for people that have the capacity but not the relationships with the community. Out of Covid many people in our communities are trying to get work so we want to assist you in ways to amplify the outreach and engage with our communities.

Angie Ostaszewski: Later in the presentation we will show a video with the list of outreach partners.

Laura Goldberg – via chat: ACES 4 Youth is a key leader in in the east St. Louis area and has seen gaps in outreach and program enrollment there.

Angie Ostaszewski – via chat: My email is aostaszewski@ameren.com - please reach out anytime to discuss program equity and workforce development! Appreciate the focus on these important topics!

- Slide 12 – Ameren wants to take steps to inform customers of opportunities available for them. We hold quarterly meetings with Customer Service Performance Management and Training to inform them of changes to website and/or energy efficiency programs. We also get into new hire classes that are onboarding new staff, so they receive energy efficiency program training. Our data team is getting some of the information that customer service collects so we can analyze and understand it. Last Summer and Fall there were outreach efforts to reach senior citizens, that were tied to rate issues but we coordinated to provide energy efficiency information. At those events we also had regulatory and credit and collections staff to help customers with various areas.
- Slide 13 – Ameren is working to ensure information about LI certification is shared between customer service and energy efficiency departments. We cross-promote: when customer service gets a LI customer a notification it is provided to energy efficiency. Towards the end of the year, we started working on reference materials that provide information on all programs.
- Slide 15 – during first three quarters of 2022, the Business portfolio had a stiff climb. Overall, we fell a slightly short of goals but had significant performance in Q4. Small Business program had great performance which was encouraging post covid. Focused on bringing customers that had no prior participation. In terms of standard measures, VSDs and motors led the way, and in midstream HP and lighting were prevalent. Early replacement program of streetlight was significant this year. Ameren has been working on this initiative for 8 years and we are seeing the end of the transition probably in another 3-4 years. Last year we managed to replace lighting in 82 communities.

Pastor Vance: Do you have any data about how many of these communities that participated in the program are black and brown or economically disadvantaged?

- *Ken Wolcott: Ameren has always focused on those disadvantaged communities to make sure lighting projects are conducted as indicated by community leaders. List can be shared.*
- Slide 16 – Received 17 custom applications during last quarter. The length of time for completion has been a concern. This quarter there were 21 projects that were scheduled to complete by end of 2023 and most of them were completed but supply issues forced some projects into 2024. Supply issues continue to be a problem for large customers,

though they are getting better. We are reviewing some options to increase early completion (either bonuses or staff augmentation).

- Slide 17 – Small business comeback has been important. Small Business DI initiative was strong in Q4. A newer addition has been the Small Business Energy Performance (SBEP) program which focused on building envelope measures, and this channel has achieved 98 net MWh through Q4. Small Business weatherization projects include stores, libraries, churches, homeless shelters, municipal buildings etc.

Chris Neme: Can you elaborate on the SBEP initiative? Is this new? Are you planning on growing it?

- *Ken Wolcott: This is several years in the making. We saw some early successes that led us to believe we could do more; we would like to see this grow.*

Chris Neme: What is the nature of the weatherization work?

- *Andy Vaughn: Mostly focused on air sealing (doors and windows and some significant gaps in the buildings) with some insulation work. A lot of these businesses are flat roofs and there is not much opportunity for attic or crawl space insulation.*
- *Chris Neme: Are you looking for opportunities to do insulation upgrades where they exist?*
- *Andy Vaughn: Yes, we have looked for them, but there aren't many great options without doing significant work.*
- *Chris Neme: Is air sealing work mostly around visible stuff? We know typically the bigger issues with air leakage are the ones you cannot see from penetrations in basement attics/crawl spaces. How comprehensively are you looking at things?*
- *Andy Vaughn: There's always room for improvement. We think program allies serving in this area are skilled. Partly the limitation is in training more allies that can look at things more in-depth. We haven't been doing blower door because in some facilities it is harder to do.*

- Slide 18 – Expanded midstream Food Service Channel with a statewide contract. Focused on new measures including lithium-ion batteries for replacing lead acid batteries in forklifts.
- Slide 19 – Engaged in discussions around Luminaire Lighting Controls and Network Lighting Controls.

Phil Mosenthal: You might want to think about enhancing incentive for network controls. This was done in CT successfully.

- Slide 21 – Third party programs, we had implementers selected but some of those were unable to implement program as designed and were able to put stop gaps for some of them. Ameren is now working with a diverse vendor to through procurement process to issue more RFP/RFQs. This helps us look at diverse audiences and forums for potential implementers.
- Slide 22 – Highlight channels in Market Development Initiative (MDI). For community-based partnerships where we fund partnerships with nonprofits – these projects are custom to the agency and needs of the community. Second is supplier diversity where we recruit diverse businesses and nonprofits to be added to vendor database and participate in program. We also conduct outreach events using diverse chambers of

commerce. Third channel is workforce development which includes funding summer internships, scholarships at community colleges, and jobs board. The newest component is job placement support between job seekers and employers.

- Side 23 – New partners in the MDI. We wanted to expand our presence to underserved areas where Ameren does not have historic coverage. These are listed in slide and cover an entity in East St. Louis and two in Decatur.
- Played 2022 recap video.
- Final Summary
 - So far in 2023 year we've seen great results. On gas side we are ahead of plan for Q1 and we are seeing the results of last year's efforts.
 - Slide 26 – On diverse spend for program allies and suppliers we have a commitment of over \$30M and we are ahead of schedule.
 - Slide 27 – We were left with \$14M from underspent budget from 2022, and intent to use it. A percentage of it has been targeted to the list of programs and projects shown in the slide. Many of those have to do with capacity building.

Nicor Gas 2022 EE Portfolio Update

Mike King, Nicor Gas

Purpose: For Nicor Gas to share an EE portfolio progress report-out with SAG.

Materials: [Nicor Gas Quarterly Update Presentation \(April 2023\)](#)

- Sharing 2022 portfolio results, income eligible was one of the largest sectors served.
- There are five residential programs listed (but Nicor offers more subprograms). Within MF program we achieved significant savings partnering with trade allies specializing in pipe insulation. Home Energy Assessment program served almost 9k customers. Supply chain issues led to some assessments being put on backorder, but the program is consistently a good performer. Air Sealing and Insulation program, we launched MF side of program and are engaging MF buildings and trade allies. There was also a smart thermostat initiative where Nicor does direct-install in targeted communities while they talk about market rate and Income Qualified programs. We are expanding this initiative from 5 target LI communities this year to 37. Our energy savings kit has also been popular. Last year we had almost 20K kits, the most popular kit was the weatherization kit (77% of all kits distributed to customers). Kits are distributed many ways.
- Income eligible programs – Nicor worked with various organizations to identify target communities. We expanded joint offering with Ameren that has been serving Bloomington-Normal communities to include Le Roy. This mirrors SF retrofit program.
- Business programs – almost 6M net therms achieved with a \$10M spent to date. Key highlights: strong participation in Business Energy Efficiency Rebate program, there was a large influx of steam trap projects. The team also ramped up assistance to restaurants – which was of large focus during Covid.
- Stipulations – Total spend was \$40M out of \$46M budget. There are stipulations in Air Sealing Insulation (ASI) program, and goal was not achieved last year due to supply chain issues and increased labor and material costs. To accelerate program adoption, there is plan in place in place with tiered incentives.
- Impact – In addition to incentives and therms saved there are environmental, educational, and economic development impacts. Education programs have engaged over 185K elementary students since 2011.
- High level overview of 2023 progress:
 - Savings are slightly over 1M therms to date, which is 10% to goal.
 - Metrics for residential and business programs presented in slides.

- The residential ASI program has been successful and Nicor is developing a three-tier incentive structure, as well as recruiting trade allies to increase program capacity (air sealing insulation contractors).
- For Home Energy Assessment program, Nicor is including 5 new measures this year. The kits program has strong momentum.

Pastor Vance: Question about training. Have we talked about investing in training to help bring in new businesses as installers?

- *Mike King: Nicor works hand in hand with the Department of Commerce and Economic Opportunity (DCEO) on this. We work with contractors and a training facility as well to find areas to train employees in. Workforce development is key within our programs, and we try to share and encourage training for all contractors.*
- Income eligible programs – YTD we have saved 130K therms and spent over \$2.6M. Therm savings are behind because data is slowly coming in. We are partnering with Habitat for Humanity and Rebuilding Together.
- Business programs are almost 300K therms saved and \$2.23M spend to date. Highlights: we have seen strong participation within the Business Optimization Program, this was due to revised incentive levels. This is a trade-ally driven program that was developed during Covid. Program went from 1 trade ally to over 20 this year.
- For the Strategic Energy Management (SEM) program, Nicor is re-engaging SEM alumni and executing continuous recruitment. Commercial and Industrial New Construction program had 10 projects completed in 2023 of which 8 were private sector and 2 were public sector, and there is a large number in the pipeline expecting to close 61 projects in 2023.
- Stipulation scorecard – \$10M spend, 9.6% of stipulation spend to date. Nicor has a \$2.6M spend in income eligible, and the MF spend is at 19%. There is work to do to move this up. Nicor has spent \$2.5M to date in whole building retrofit and this is a good place.

Laura Goldberg: What are some of the MF processes in place to move that number up? Is that market-rate MF, IQ MF, or both? Curious on the comment you made about MF processes in place to get spend and savings number up.

- *Mike King: This is only for IQ MF spend that needs to be bumped up. We are doing outreach with CBOs to identify MF properties within those areas and encourage them to take the next steps. We are looking at census data and ownership and working with various CAAs and community contacts to identify new projects, we are also offering engineering, technology and RFP assistance to all agencies as we believe there might be a capacity issue.*
- *Laura Goldberg: Do you have other CAAs doing MF?*
- *Mike King: That is a piece of capacity building.*
- Innovation – Two new measures being proposed for 2023 in TRM, first one is in NC Residential sector for insulated concrete forms (ICFs) and in the commercial sector we are putting Tankless Water Heater Arrays.

Chris Neme: Are those tankless water heater arrays anticipated as an application for new or existing commercial buildings?

- *Mike King: It can be for both.*

- Market Transformation Initiative – program looks at transforming market in ways that has products be adopted by the market. Looks at best practices and efforts, we are collaborating with other utilities and through the SAG MT working group. We are working on high performance windows, code enhancements, efficiency RTU, and geothermal heat pump water heaters.
- Market Development Initiative – we partnered with other utilities to have a third-party vendor conduct research in December 2022. Primary recommendations that I want to highlight are:
 - To provide education and technical assistance to diverse contractors and workers (individuals)
 - Utilize CBO partners to enhance recruitment
 - Following up training with career and employment services
 - Establish KPIs to track development over time
- Implementation update for 2023 – RFP process began back in November, this was completed in February and awarded MDI contract. We invited more than 50 contractors to bid, we received 5 responses in total and had 3 that were MBE and one that was WBE. Walker Miller was selected and has been working with us to establish implementation plan. Outreach and partner recruitment will start in May. All Cohorts will begin formal training in Q3 and conclude in Q4.
- Ongoing efforts and highlights for community engagement:
 - Nicor had a water-saving pilot in partnership with Hanover Park. We distributed flyers to residents, poster and digital adds and provided kits to residents.
 - Community connection center has reached one year, and we are given assistance to customers on various topics.
 - Advertising campaign tied to music. In March of 2023 Nicor kicked-off first campaign in over a year for customers to see that the energy efficiency programs support customer individual needs. Tying to making it fun an enjoyable in home and business and that is by connecting music to efficiency.

Closing and Next Steps

Celia Johnson, SAG Facilitator

- See red text in the notes follow-up items.